



[Administrative, Police Codes - Prevailing Wage for Security Guard Services]

**Ordinance amending the Administrative Code to require prevailing wages in City contracts for security guard services and that prevailing wages be paid for security guard services at certain events on City property; and amending the Police Code to make a technical clarification regarding worker retention requirements for security guards.**

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font. **Additions to Codes** are in *single-underline italics Times New Roman font*. **Deletions to Codes** are in *strikethrough italics Times New Roman font*. **Board amendment additions** are in double-underlined Arial font. **Board amendment deletions** are in ~~strikethrough Arial font~~. **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. The Administrative Code is hereby amended by revising Section 21C.7 and adding Section 21C.11, to read as follows:

**SEC. 21C.7. STANDARD PROVISIONS GOVERNING THE PREVAILING RATE OF WAGES, WORKER RETENTION, AND USE OF EMPLOYEES FOR WORK UNDER CITY CONTRACTS FOR CERTAIN SERVICES.**

\* \* \* \*

(b) Definitions. For purposes of this Section 21C, the following definitions shall apply to the terms used herein.

\* \* \* \*

"Covered Contract" shall mean an agreement between the City and a Contractor for the following services: "Motor Bus Services" as defined in Section 21C.1, subject to the

1 provisions of Section 21C.1; "Janitorial Services" as defined in Section 21C.2; "Public Off-  
2 Street Parking Lots, Garages, or Storage Facilities for Automobiles" as defined in Section  
3 21C.3; "Theatrical Services" as defined in Section 21C.4; "Solid Waste Generated By The City  
4 In Course of City Operations" as defined in Section 21C.5; "Moving Services" as defined in  
5 Section 21C.6; "Trade Show and Special Event Work" as defined in Section 21C.8; *and*  
6 "Broadcast Services" as defined in Section 21C.9; *and* "Security Guard Services" as defined in  
7 Section 21C.11.

8 **SEC. 21C.11. PREVAILING RATE OF WAGES FOR SECURITY GUARD SERVICES IN**  
9 **CITY CONTRACTS AND FOR EVENTS ON CITY PROPERTY.**

10 (a) Definitions. For purposes of this Section 21C.11, the following definitions shall apply:

11 "Event" means any organized gathering of people, including but not limited to a live  
12 performance, dance, convention, conference, parade, or exposition on City property.

13 "Security Guard Services" means services to protect persons or property or prevent theft,  
14 performed by nonsupervisory employees who are licensed by the California Bureau of Security and  
15 Investigative Services (BSIS) or a successor agency to provide security guard or proprietary security  
16 guard service, including but not limited to men and women serving as security guards, watchmen,  
17 patrolmen, and security officers.

18 (b) City Contracts.

19 (1) Prevailing Wage Requirement. Every Contract issued by the City must require that  
20 any individual performing Security Guard Services thereunder at any facility or on any property owned  
21 or leased by the City be paid not less than the Prevailing Rate of Wages, including fringe benefits or  
22 the matching equivalents thereof, paid in private employment for similar work in the area in which the  
23 Contract is being performed. All Contracts subject to this Section 21C.11 shall include a provision in  
24 which the Contractor agrees to comply with, and to require Subcontractors to comply with, the  
5 obligations imposed by this Section.

1                   (2) Exclusions. For purposes of this subsection (b), "Contract" shall mean an  
2 agreement to be performed at the expense of the City or to be paid out of moneys deposited in the City  
3 treasury or out of trust moneys under the control of or collected by the City, but shall not include the  
4 following:

5                   (A) Contracts issued by the San Francisco Airport Commission or to be  
6 performed at any facility owned, leased, or otherwise under the jurisdiction of the San Francisco  
7 Airport Commission.

8                   (B) Contracts for a cumulative amount of \$10,000 or less per Security Guard  
9 Services provider in each fiscal year. Contracts may not be split for purposes of evading the  
10 requirements of this Section.

11                   (c) Events on City Property.

12                   (1) Prevailing Wage Requirement. Every Contract, Lease, Franchise, Permit, or  
13 Agreement awarded, let, issued, or granted by the City for the use of property owned by the City must  
14 require that any individual engaged in Security Guard Services for an Event on City property be paid  
15 not less than the Prevailing Rate of Wages, including fringe benefits or the matching equivalents  
16 thereof, paid in private employment for similar work in the area in which the Contract, Lease,  
17 Franchise, Permit, or Agreement is being performed. All Contracts, Leases, Franchises, Permits, or  
18 Agreements subject to this Section 21C.11 shall include a provision in which the Contractor (including  
19 a lessee, franchisee, permittee or other party to an Agreement) agrees to comply with, and to require  
20 Subcontractors to comply with, the obligations imposed by this Section.

21                   (2) Exclusions. For purposes of this subsection (c), "Contract, Lease, Franchise,  
22 Permit, or Agreement" shall mean an agreement with the City for the use of property owned by the  
23 City, but shall not include any contract, lease, franchise, permit, or agreement for:

24                   (A) Celebration of a marriage, domestic partnership, or similar civil union,  
25

1                   (B) The presentation of an Event to which the public has free access when the  
2 Event is in a public park, on a public street, or on property under the jurisdiction of the Port  
3 Commission, and the advertising and promotion for the Event is less than \$10,000.

4                   (C) Any permit or agreement to engage in film production pursuant to Chapter  
5 57 of this Code or under the circumstances set forth in Section 57.7 of this Code.

6                   (D) In any circumstance where application of this Section 21C.11 would be  
7 preempted by federal or state law, or

8                   (E) Any Event for which the total number of employees providing Security Guard  
9 Services for the Event is less than fifteen persons.

10                  (d) Preemption. Nothing in this Section 21C.11 shall be interpreted or applied so as to create  
11 any right, power, or duty in conflict with any federal or state law.

12                  (e) Operative Date and Prospective Effect.

13                   (1) This Section 21C.11 shall become operative upon the initial setting of a Prevailing  
14 Rate of Wages for Security Guard Services by the Board of Supervisors. This initial Prevailing Rate of  
15 Wages shall be set in accordance with the process established in Section 21C.7(c)(1), except the Civil  
16 Service Commission shall submit to the Board of Supervisors data as to the Prevailing Rate of Wages  
17 no later than 120 days after the effective date of this Section 21C.11. Thereafter, the Commission shall  
18 submit data as to the Prevailing Rate of Wages for Security Guard Services on or before the first  
19 Monday in November each year in accordance with Section 21C.7(c)(1).

20                   (2) This Section 21C.11 is intended to have prospective effect only, and shall not be  
21 interpreted to impair the obligations of any pre-existing Contract, Lease, Franchise, Permit, or  
22 Agreement" issued or entered into by the City, unless such pre-existing agreement is amended after the  
23 effective date of this Section and such amendment extends the term of the pre-existing agreement.

24                   (f) Severability. If any part or provision of this Section 21C.11, or the application thereof to  
7 any Person or circumstance, is held invalid, the remainder of this Section, including the application of

1 such part or provisions to other Persons or circumstances, shall not be affected thereby and shall  
2 continue in full force and effect. To this end, the provisions of this Section are severable.

3  
4 Section 2. The Police Code is hereby amended by revising Article 33C, Section  
5 3300C.1, to read as follows:

6 **ARTICLE 33C: DISPLACED WORKER PROTECTION**

7 **SEC. 3300C.1. DEFINITIONS.**

8 The following definitions shall apply throughout this Article:

9 (a) "Awarding authority" means any person that awards or otherwise enters into  
10 contracts for security and janitorial or building maintenance services performed within the City  
11 and County of San Francisco, except that the City and County of San Francisco is not an  
12 "awarding authority" under this Section with respect to City contracts for janitorial services as  
13 defined in Administrative Code Section 21C.2 or City contracts for security guard services as  
14 defined in Administrative Code Section 21C.11, because the worker retention requirements for  
15 those City contracts are governed by Section 21C.7 of the Administrative Code.

16 \* \* \* \*

17 Section 3. Undertaking for the General Welfare. In enacting and implementing this  
18 ordinance, the City is assuming an undertaking only to promote the general welfare. It is not  
19 assuming, nor is it imposing on its officers and employees, an obligation for breach of which it  
20 is liable in money damages to any person who claims that such breach proximately caused  
21 injury.

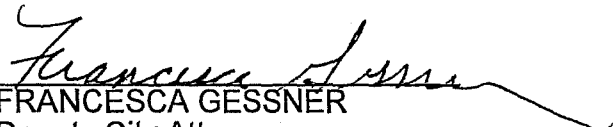
22  
23 Section 4. Effective Date. This ordinance shall become effective 30 days after  
24 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
25 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board

1 of Supervisors overrides the Mayor's veto of the ordinance. However, as indicated in  
2 Administrative Code Section 21 C.11(e), Section 21 C.11 shall become operative only upon  
3 the initial setting by the Board of Supervisors of a Prevailing Rate of Wages for the categories  
4 of work covered by that Section.

5  
6 Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
7 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
8 numbers, letters, punctuation marks, charts, diagrams, or any other constituent parts of the  
9 Municipal Code that are explicitly shown in this ordinance as additions, deletions, Board  
10 amendment additions, and Board amendment deletions in accordance with the "Note" that  
11 appears under the official title of the ordinance.

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APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

By:   
FRANCESCA GESSNER  
Deputy City Attorney

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**LEGISLATIVE DIGEST**

[Administrative, Police Codes - Prevailing Wage for Security Guard Services]

**Ordinance amending the Administrative Code to require prevailing wages in City contracts for security guard services and that prevailing wages be paid for Security Guard Services at certain events on City property; and amending the Police Code to make a technical clarification regarding worker retention requirements for security guards.**

**Existing Law**

In addition to prevailing wage requirements governing public works projects, several ordinances require the payment of prevailing wages for certain types of work connected with City property, including, among others, janitorial services, parking garage attendant services, theatrical workers services, moving services, and trade show work. See S.F. Admin. Code §§ 21C.1-21C.9. There is no prevailing wage ordinance governing security guard services.

**Amendments to Current Law**

The proposed ordinance would require the payment of prevailing wages for Security Guard Services performed under a City contract or for events on City property. The proposed ordinance defines "Security Guard Services" as services to protect persons or property or prevent theft, performed by nonsupervisory employees who are licensed by the California Bureau of Security and Investigative Services (BSIS) or a successor agency to provide security guard or proprietary security guard service.

**City Contracts**

The proposed ordinance would require that any individual performing Security Guard Services under a City contract at any facility or on any property owned or leased by the City be paid prevailing wages. The prevailing wage requirement would apply to subcontracts, as well as prime contracts.

The following types of contracts would be excluded from the prevailing wage requirement: (1) contracts issued by the San Francisco Airport Commission or to be performed at any facility owned, leased, or otherwise under the jurisdiction of the San Francisco Airport Commission, and (2) contracts for a cumulative amount of \$10,000 or less per Security Guard Services provider in each fiscal year.



**Contracts, Leases, Franchises, Permits, or Agreements for Events on City property**

The proposed ordinance would also require that every contract, lease, franchise, permit, or agreement awarded, let, issued, or granted by the City require that any individual engaged in Security Guard Services for an Event on City property be paid prevailing wages. The proposed ordinance defines an "Event" as any organized gathering of people, including but not limited to a live performance, dance, convention, conference, parade, or exposition on City property.

The prevailing wage requirement would not apply to the following types of events or agreements:

- Celebration of a marriage, domestic partnership, or similar civil union.
- An Event to which the public has free access when the Event is in a public park, on a public street, or on property under the jurisdiction of the Port Commission, and the advertising and promotion for the Event is less than \$10,000.
- Any permit or agreement to engage in film production pursuant to Chapter 57 of this Code or under the circumstances set forth in Section 57.7 of this Code.
- Any Event for which the total number of employees providing Security Guard Services for the Event is less than fifteen persons.

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<b>Item 4</b> <b>File 16-0891</b>	<b>Department:</b> Office of Labor Standards Enforcement (OLSE)
<b>EXECUTIVE SUMMARY</b>	
<p style="text-align: center;"><b>Legislative Objectives</b></p>	
<ul style="list-style-type: none"> <li>• The proposed ordinance would amend the Administrative Code to require that prevailing wages be paid for security guard services at certain events on City property and in City contracts for security guard services.</li> <li>• The proposed ordinance would also amend the Police Code to make a technical clarification regarding worker retention requirements for security guards.</li> </ul>	
<p style="text-align: center;"><b>Key Points</b></p>	
<ul style="list-style-type: none"> <li>• The Board of Supervisors annually sets prevailing wage rates for employees of businesses with particular types of City contracts. These contracts currently include janitorial services, theatrical services, moving services, and waste removal services, among others.</li> <li>• The proposed ordinance would require employees performing security guard services be paid the prevailing wage rate.</li> </ul>	
<p style="text-align: center;"><b>Fiscal Impact</b></p>	
<ul style="list-style-type: none"> <li>• Paying prevailing wages to workers who provide security guard services in City contracts could result in increased costs to the City under future contracts for these services, depending on future City contractors' bids.</li> <li>• Paying prevailing wages to workers who provide security guard services at events on City property could increase the costs to put on such events in San Francisco, and potentially result in fewer events being held in San Francisco.</li> <li>• The overall fiscal impact of the proposed ordinance depends on future City contractor bids and the extent to which City contractors increase the bids submitted to the City to pay for the costs of the increased wage rates.</li> </ul>	
<p style="text-align: center;"><b>Recommendation</b></p>	
<ul style="list-style-type: none"> <li>• Approval of the proposed ordinance is a policy decision for the Board of Supervisors.</li> </ul>	

## MANDATE STATEMENT

City Charter Section 2.105 states that all legislative acts shall be by ordinance and shall require two readings by the Board of Supervisors.

The City's Administrative Code requires certain contractors that have contracts with the City, including public works contracts, to pay employees the highest general prevailing rate of wages for similar work in private employment. These requirements are enforced by the City's Office of Labor Standards Enforcement.

## BACKGROUND

The Board of Supervisors annually sets prevailing wage rates for employees of businesses with particular types of City contracts. The prevailing wage requirement for City contracts and events on City property requires that employees be paid not less than the prevailing wage rates, including fringe benefits or matching equivalents, paid in private employment for similar work in the area.

Section 6.22 (E) of the Administrative Code requires that public works and construction contractors pay workers prevailing wages, and Section 21C of the Administrative Code requires the same of contractors with the City for certain types of work connected with City property, including janitorial services, theatrical services, moving services, and waste removal services, among others.

Security guard contractors are currently not covered by the prevailing wage requirement.

## DETAILS OF PROPOSED LEGISLATION

### Administrative Code

The proposed ordinance would amend the Administrative Code to revise Section 21C.7 and add Section 21C.11 to require that prevailing wages be paid to:

- (1) employees of businesses having contracts and subcontracts with the City to provide security guard services; and
- (2) individuals providing security guard services as part of a contract, lease, franchise, permit or agreement to hold certain events on City property.

"Security guard services" are defined as services performed by licensed employees, including security guards, watchmen, patrolmen, and security officers, to protect individuals or property or to prevent theft. "Events" on City property include any organized gathering of people, including a live performance, dance, convention, conference, parade, or exposition on City property.

The proposed ordinance would require that prevailing wage rates be included in future contracts and subcontracts of businesses having such contracts and subcontracts with the City, after issuing a competitive solicitation, for security guard services. The City would also include in any new contract for security guard services requirements that the successor contractor:

- Retain, for a six-month period, employees who have worked at least 15 hours per week and have been employed by the prior contractor or its subcontractors, if applicable, for the preceding 12 months;
- Retain employees of the prior contractor by seniority within job classifications if fewer employees are required to perform the new contract;
- During the six-month retention period, maintain a preferential hiring list of eligible employees that were not retained by the successor contractor;
- Not discharge any retained employee during the six-month transition period without cause; and
- At the end of the six-month period, offer continued employment to retained employees, if the employee's performance is satisfactory, under the terms and conditions established by the successor contractor.

The proposed ordinance would exempt from the prevailing wage requirement contracts awarded by the San Francisco Airport Commission or performed at airport facilities and contracts for a cumulative amount of \$10,000 or less per security guard services provider each fiscal year.

The proposed ordinance would also exempt the following types of events or activities from the prevailing wage requirements with respect to security guard services:

- The celebration of a marriage, domestic partnership, or civil union;
- Events that offer free access to the public in a public park or street with advertising and promotion costs less than \$10,000;
- Film production;
- Events with fewer than 15 employees providing security guard services; and
- Any circumstances where application would be preempted by federal or state law.

#### **Police Code**

The proposed ordinance would also amend the Police Code by revising Article 33C, Section 3300C.1, to make a technical clarification to worker retention requirements by including City contracts for security guard services among the contracts that are governed by Section 21C.7 of the Administrative Code.

#### **FISCAL IMPACT**

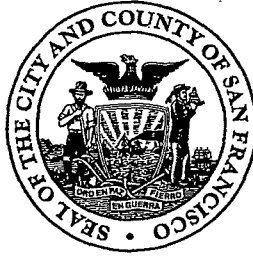
Under the proposed ordinance, businesses having contracts with the City to provide security guard services would be required to pay their employees at least the prevailing wage rates set by the Board of Supervisors. Increased costs as a result of paying prevailing wage rates could result in increased costs of future City contracts. However, any increased contract costs to the City as a result of paying prevailing wage rates are dependent on future City contractors' bids, and the extent to which higher wage rates may result in higher contractor bids.

The payment of such prevailing wage rates to security guard employees resulting in increased wage costs could also potentially result in fewer events being held on City property. However, it is not known at this time to what extent the payment of such prevailing wage rates might reduce the number of events held on City property and consequently reduce permit and related revenues.

**RECOMMENDATION**

Approval of the proposed ordinance is a policy decision for the Board of Supervisors.

BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

## MEMORANDUM

TO: Jaci Fong, Director, Office of Contract Administration  
Toney D. Chaplin, Acting Chief of Police, Police Department  
Ivar C. Satero, Airport Director, Airport Commission  
Michael Brown, Executive Officer, Civil Service Commission  
Villy Wang, President, Film Commission  
Elaine Forbes, Interim Executive Director, San Francisco Port Commission

FROM: *ll*  
*for* Linda Wong, Assistant Clerk, Budget and Finance Committee

DATE: August 17, 2016

SUBJECT: LEGISLATION INTRODUCED

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The Board of Supervisors' Budget and Finance Committee has received the following proposed legislation, introduced by Supervisor Kim on August 2, 2016:

**File No. 160891**

**Ordinance amending the Administrative Code to require prevailing wages in City contracts for security guard services and that prevailing wages be paid for security guard services at certain events on City property; and amending the Police Code to make a technical clarification regarding worker retention requirements for security guards.**

If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Kofo Domingo, Office of Contract Administration  
Christine Fountain, Police Department  
Cathy Widener, Airport Commission  
Jean Caramatti, Airport Commission  
Matt Stiker, Film Commission  
Daley Dunham, San Francisco Port Commission  
Amy Quesada, San Francisco Port Commission

Print Form

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2016 AUG -2 PM 4:48  
Time stamp  
or meeting date

# Introduction Form

By a Member of the Board of Supervisors or the Mayor

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [ ] inquires"
- 5. City Attorney request.
- 6. Call File No. [ ] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. [ ]
- 9. Reactivate File No. [ ]
- 10. Question(s) submitted for Mayoral Appearance before the BOS on [ ]

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form.

Sponsor(s):

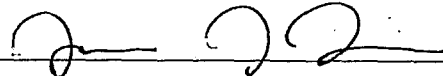
Supervisor Kim

Subject:

Administrative, Police Codes - Prevailing Wage for Security Guard Services

The text is listed below or attached:

Attached

Signature of Sponsoring Supervisor: 

For Clerk's Use Only:

## Lew, Lisa (BOS)

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**From:** Lew, Lisa (BOS)  
**Sent:** Wednesday, August 17, 2016 10:13 AM  
**To:** Fong, Jaci (ADM); SFPD, Chief (POL); Ivar Satero (AIR); Brown, Michael (CSC); 'film@sfgov.org'; Forbes, Elaine (PRT)  
**Cc:** Domingo, Kofo (ADM); Fountain, Christine (POL); Cathy Widener (AIR); Jean Caramatti (AIR); Dunham, Daley (PRT); Quesada, Amy (PRT); Wong, Linda (BOS)  
**Subject:** BOS Referral: File No. 160891 - Administrative, Police Codes - Prevailing Wage for Security Guard Services  
**Attachments:** 160891 FYI.pdf

Hello,

The following legislation is being referred to your department for informational purposes:

### File No. 160891

**Ordinance amending the Administrative Code to require prevailing wages in City contracts for security guard services and that prevailing wages be paid for security guard services at certain events on City property; and amending the Police Code to make a technical clarification regarding worker retention requirements for security guards.**

Sent on behalf of Linda Wong, Assistant Clerk, Budget and Finance Committee. Please forward any comments or reports to Linda Wong.

Regards,

**Lisa Lew**  
Board of Supervisors  
San Francisco City Hall, Room 244  
San Francisco, CA 94102  
P 415-554-7718 | F 415-554-5163  
[lisa.lew@sfgov.org](mailto:lisa.lew@sfgov.org) | [www.sfbos.org](http://www.sfbos.org)

 Click [here](#) to complete a Board of Supervisors Customer Service Satisfaction form

The [Legislative Research Center](#) provides 24-hour access to Board of Supervisors legislation, and archived matters since August 1998.

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